1997 - 1998

Annual Report

Safety Code Services

Introduction

Fiscal 1997/98 marks the first year of operation for New Brunswick Safety Code Services - Special Operating Agency.

The agency is responsible for the safety of electrical and plumbing installations, boilers and pressure vessels, elevating devices and compressed gas systems.

Safety Code Services(SCS) emerged from the former Technical Inspection Services Branch of the Department of Advanced Education and Labour. It was created in response to increased demands for service by industry and a growing concern over government's ability to provide the necessary resources to enforce critical technical safety standards.

Early in 1996, the Branch began to investigate alterative models for service delivery and initiated discussions with stakeholders.

Those discussions led to a proposal to convert the service into a self-funded Special Operating Agency (SOA). A business plan was prepared to guide the transformation.

The Business Plan called for three (3) years of phased fee increases, improved services, increased investment in training and technology, a stronger role for industry in the planning and delivery of services and financial self sufficiency by 1999/2000.

The SOA proposal and business plan was approved by Government in the fall of 1996 and Safety Code Services went into operation in April 1997.

Stakeholder Participation

A new arrangement to strengthen the role of industry in the planning and delivery of services proved to be very effective.

The structure recognizes that the agency is first and foremost a public safety organization, the public is the primary stakeholder and that government has the overall accountability for the services and final decision making on safety policy and regulations.

However, the structure also recognizes that industry benefits from an effective inspection service which ensures a level playing field through the enforcement of minimum standards and licensing requirements. Industry is provided direct influence on SOA operations through Safety Advisory Committees.

The four (4) Safety Advisory Committees have met a total of 32 times from the initial SOA planning phase through to the end of fiscal 1997/98.

There are over thirty (30) separate interest groups represented on these committees including electric utilities, gas companies, municipalities, insurance representatives, contractors, trade unions, consultants, architects and engineers, inspectors, small and large business, consumers, owners and operators.

SCS requires that all proposals to amend regulations or safety policy be first submitted to the safety committees for review and recommendation.

By the end of 1997/98 the four committees had recommended over forty (40) regulation and policy changes more than half of which have already been implemented. These include the recognition of private sector organizations in the testing of pressure welders and compressed gas workers, recognizing private sector design review of pressure components, harmonizing municipal and provincial plumbing licensing systems, simplifying electrical plan approval requirements, introducing qualification requirements for elevator contractors, incorporating industry based propane inspection programs into the safety system and simplifying the regulation of electrical service entrance requirements.

The consensus building process has also turned back several proposals for new regulations. These were generally of very narrow interest and did not meet the criteria of being necessary for public safety.

In the past, these special interest lobbies often found their way into regulations creating unnecessary bureaucracy and red tape.

The work of the Safety Advisory Committees and participation of industry in SOA operations during 1997/98 has solidified the partnership that was developed during the preparation of the SOA proposal. That partnership will remain a critical component to any future success of the organization.

Technology

SCS launched a major information technology project in 1997/98. The two (2) year project to develop a new client/server integrated data based system, the Integrated Safety Inspection System (ISIS), will replace twenty-four (24) separate computer systems previously used to manage SCS operations.

The Department is continuing a long history of supporting technology improvements by providing additional funds to SCS to allow the project to be completed.

The new system will dramatically improve the quality of management information and enable better deployment of resources and costing of services.

Client information will only need to be collected once and manual processes such as the repetitive issuing of hand written certificates and inspection reports will be automated.

The various requirements for qualifications and prerequisite approvals to obtain licences and permits will be consistently enforced through electronic validation.

Clients will be able to access services by telephone and computer.

The first phase of the ISIS project covering clients, licences and finances was implemented in early 1998. There was an instant improvement in the enforcement of licensing regulations as many applications that may have proceeded through various manual processes in the past were challenged through new automated validation processes.

The first phase also included the deployment of ruggedized laptop computers and portable printers to field inspectors. Inspectors are now able to, check client histories, process test results, and issue welding certificates directly on site. As more inspection functions come on-line, there is tremendous potential for inspectors to carry out many existing office functions directly at the job site, speeding up service to clients.

SCS has also invested in the installation of high speed data links to connect the seven (7) regional offices to the central data base. This has enabled applications that previously had to be sent to head office for processing to be handled directly in the regions.

The introduction of the ISIS system in 1997/98 marks the beginning of a longer term strategy to continually enhance services through the use of technology.

Training

During 1997/98 SCS activated a plan to develop staff and improve the technical expertise of the organization. From a training budget that had practically disappeared in 1996, SCS began to rebuild training funds which are projected to rise to 5% of the SOA budget by 1999/2000.

By far, the largest block of training carried out in 1997/98 was associated with the ISIS computer project. Employees proceeded through a series of training modules from basic computer skills to the use of advanced ISIS applications. In total, more than 400 staff days of formal training were delivered from October 1997 to February 1998.

The agency also rolled out a training strategy to encourage staff to obtain the highest levels of technical expertise they are capable of which includes agency support for employees who wish to pursue national/international certification and endorsements.

During the year, two (2) Boiler and Pressure Vessel Inspectors received National Board Boiler and Pressure Vessel certification, and one Elevator Inspector was certified by the National Association of Amusement Ride Safety Officials, as an Amusement Ride Inspector.

As with technology, developing staff is another key component in developing the capabilities of the organization.

Performance

Associated with the new SOA flexibilites to hire staff and carry over revenues, there is increased accountability for performance. During the business planning process specific performance standards were established with stakeholders.

This new responsibility to achieve performance targets under the SOA model required a new approach to management.

Agency standards were broken down and assigned to individual program areas. Chief Inspectors and Managers then allocated targets to individual employees through documented work plans.

Individual performance, program performance and organizational performance was monitored on a monthly basis and corrective actions taken where necessary.

Needless to say, this new focus on accountability was initially met with some resistance by staff. However, as employees became more involved in the work planning and reporting process and as practical adjustments were made, there was growing acceptance of the importance of performance measurement under the SOA agreement.

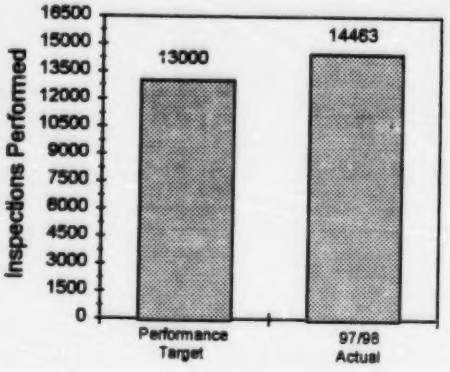
The 1997/98 performance targets and review is restricted to fairly high level evaluation, generally the number of inspections performed.

As the ISIS system comes on-line, the ability to correlate inspection information is expected to create opportunities for more specific targets and measurements.

Safety Code Services carried out 32,724 inspections in 1997/98, a 16% increase over the previous year.

Following is an overview of agency performance in eight (8) basic inspection areas and a statistical summary of services delivered.

ELECTRICAL INSPECTION



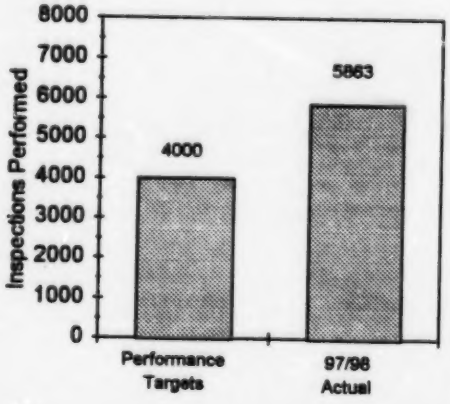
TARGET: **13,000 Inspections**

ACHIEVED: **14,463 Inspections**

Electrical inspections have increased by 22% over the previous year. 1,982 inspections were performed by plumbing inspectors qualified as residential electrical inspectors.

The number of electrical permits receiving at least one inspection is approximately 53%.

PLUMBING INSPECTION



TARGET: **4,000 Inspections**

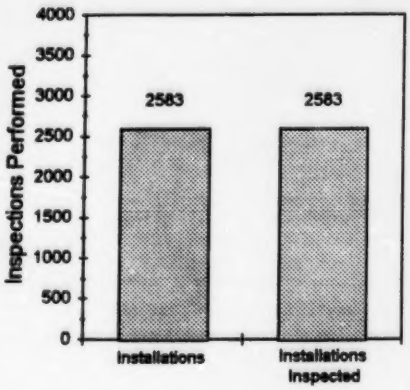
ACHIEVED: **5,863 Inspections**

The cost recovery plan for the plumbing program includes the need to generate revenues through residential electrical inspections.

That process was started in 1997/98 and cross inspections are expected to increase in the future.

The number of plumbing permits receiving at least one inspection is approximately 91%.

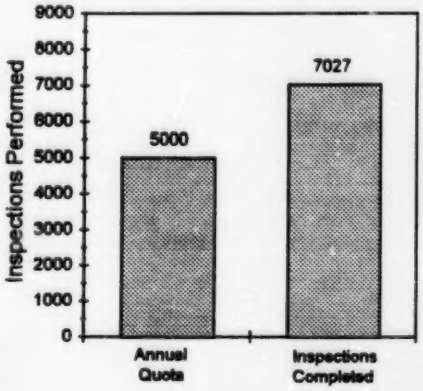
BOILER AND PRESSURE VESSEL INSPECTION



TARGET: 100% of all new/altered installations

ACHIEVED: 100% coverage

Inspectors were able to respond to all known new/altered installations. A new permit system is expected to increase inspection demand in this area.



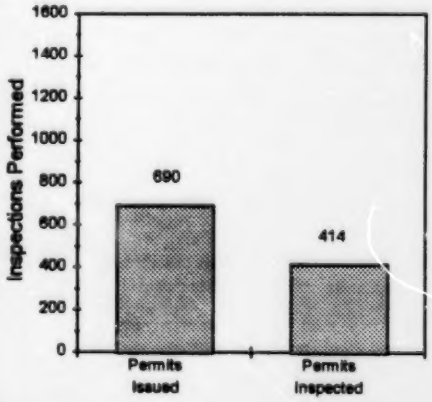
TARGET: In-Service inspections according to schedule

ACHIEVED: Completed annual quota, reduced backlog

There are approximately 16,000 registered devices requiring about 5,000 inspections per year to meet the inspection schedule.

Entering into 1997/98, there was a growing back log of over 7,000 devices outstanding.

In addition to meeting the annual quota the backlog has been reduced by 30%, a trend that is expected to continue.



TARGET: 100% of all new/altered propane systems

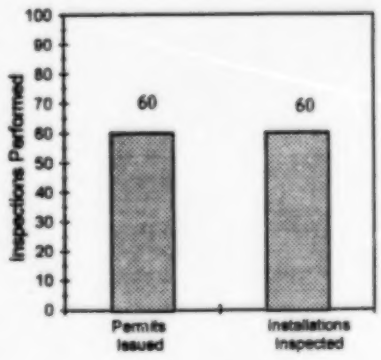
ACHIEVED: 60% coverage

SCS planned to increase propane inspections from 20% to 100% in 1997/98 through the use of industry based inspection programs.

A request by propane companies for more time to meet accreditation requirements has delayed that implementation.

The 60% percent coverage was achieved directly by SCS inspection.

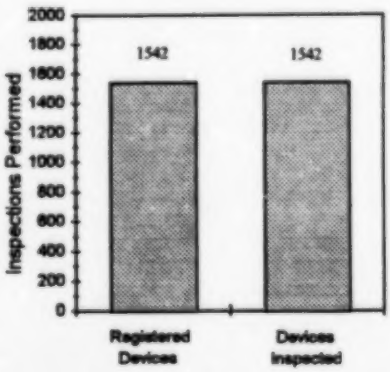
ELEVATOR INSPECTION



TARGET: 100% of new/altered installations

ACHIEVED: 100% coverage

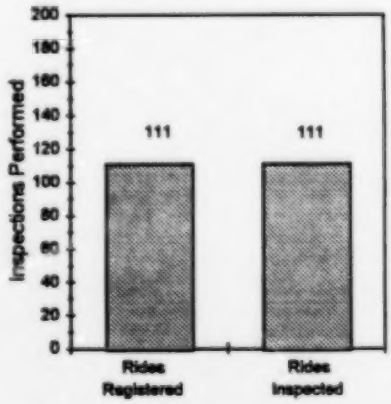
100% coverage of new/altered installations represents approximately 350 inspection hours.



TARGET: Annual inspection of all registered devices

ACHIEVED: 100% coverage

1997/98 marks the first time in several years that all registered devices have received an annual inspection.



TARGET: All amusement rides inspected before going into service

ACHIEVED: 100% coverage

In addition to initial inspections, there were approximately 60 hours of follow up inspections.

NEW BRUNSWICK SAFETY CODE SERVICES
STATISTICAL SUMMARY 1997/98

Inspections Carried Out	1997-98
Amusement Devices	146
Boiler and Pressure Vessel	9,622
Electrical	14,463
Elevators	1,739
Gas	891
Plumbing	5,863
TOTAL	**32,724**
Plans Reviewed or Registered	
Boiler and Pressure Vessel	495
Electrical	319
Elevators	60
Gas	62
Plumbing	135
Welding Procedures	78
Quality Management Plan	21
TOTAL	**1,170**
Installation Permits Issued	
Electrical	12,233
Elevator	60
Plumbing	2,860
Gas	690
TOTAL	**15,843**
Licenses Issued or Renewed	
Electrician	2,170
Electrical Contractor	558
Plumbers	527
Plumbing Contractor	263
Compressed Gas	1,103
Stationary Engineer	1,836
Welder	2,887
Plant Permits	161
TOTAL	**9,505**
Operating Permits	
Elevating Device	1,542
Boiler and Pressure Vessel Registration	15, 698
TOTAL	**17,240**
Exams/Tests Conducted	
Gas Exams	206
Stationary Engineer Exams	313
Welders Tested	1,801
TOTAL	**2,320**

Financial

Under the Business Plan inspection revenues are expected to gradually replace the departmental operating grant to allow the agency to reach full cost recovery. The departmental subsidy, which stood at approximately $500,000 in 1996/97 was reduced to $351,000 in 1997/98 and is scheduled to be eliminated in 1999/2000.

SCS also realized a revenue surplus of $124,469 in 1997/98. As set out in the SOA agreement this surplus will be carried forward into the 1998/99 budget year. The funds will be used to offset some of the Departments contribution to the ISIS project and to support the introduction of a new Boiler and Pressure Vessel Inspector to cover a major oil refinery expansion.

1997-98 FINANCIAL REPORT
($000's)

REVENUE	
Fees	
Electrical	1,022.6
Plumbing	443.5
Boiler/Pressure Vessel	1,000.4
Elevator	255.3
Dept Operating Grant	351.0
Dept Comp Proj Funding	500.0
Other	42.8
Total Revenues	**3,615.6**
EXPENDITURES	
Primary 3 - Personal Services	2,428.2
Primary 4 - Other Services	239.7
Primary 5 - Materials/Supplies	41.4
Primary 6 - Property/Equipment	275.1
Primary 7 - Grants	2.0
Primary 8 - Other Charges	4.7
Computer Project	500.0
Total Expenditures	**3,491.1**
Revenue Surplus	**124.5**

Summary

The first year of operation for Safety Code Services-SOA unfolded more or less according to plan.

The successful transition of the service to the SOA format can be attributed to the support of the Department, the participation of industry and the commitment of SCS staff.

The organization structure and policy making process, which relies on the balancing of government and industry interests, has proved successful.

New initiatives in technology and training got off to a good start.

The number of inspections carried out increased by 16% over the previous year.

The reduction target for the departmental operating grant was met.

SCS is now well positioned to achieve the second and third year objectives of a three year plan to become a more effective, self sustaining public safety organization.